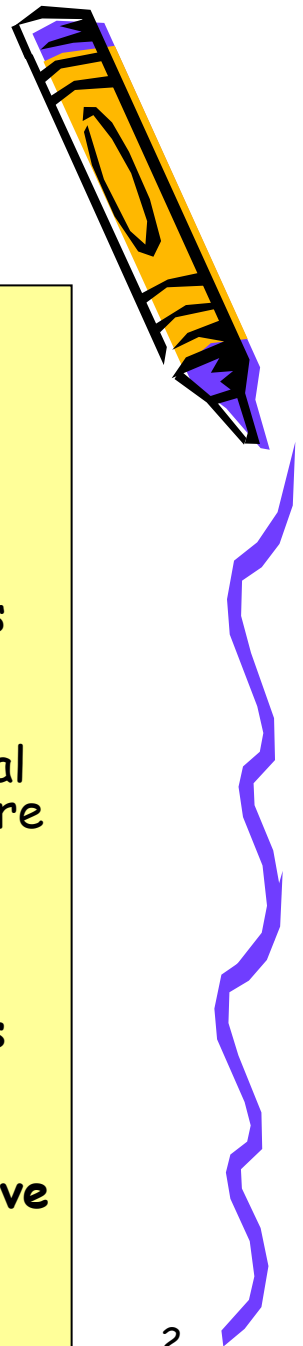


# **Report to RSCC May, 2007**

Terry Whiteside  
Whiteside & Associates  
Billings, MT

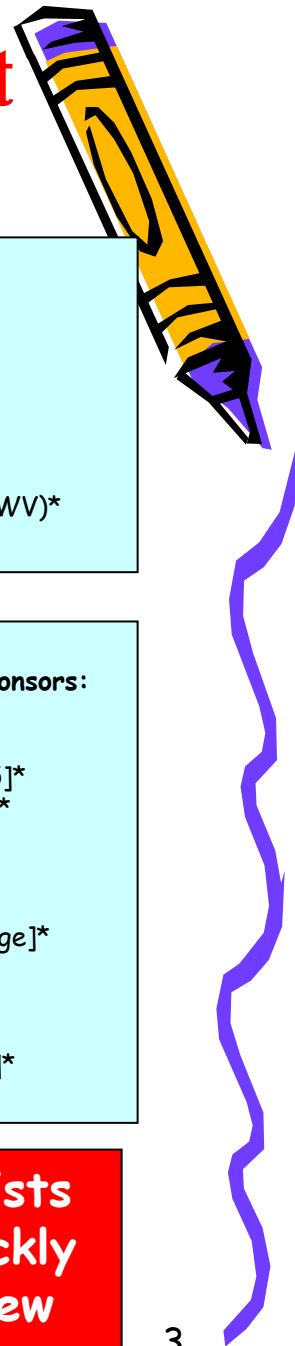


# Lots of Activity on the Captive Rail Customer Front



1. **Rail Shipper Day** - Held on March 15, 2007 - over 270 folks participated
2. **S.953 Rail Competition and Service Improvement Act** introduced March 21, 2007 - 11 co-sponsors including Senator Max Baucus and Senator John Tester
3. **HR 2125 Rail Competition and Service Improvement Act** introduced May 3, 2007 - 29 co-sponsors including Rep. Dennis Rehberg
4. **Massive coalition formed** including Agriculture, ARC, CURE, American Chemistry Council, Edison Electric Institute, National Rural Electric Coop, United Transportation Union and many more
5. Look for co-sponsorship to go up very quickly now
6. **Railroads are pushing a tax infrastructure bill** in the new Congress
7. **Montana Rail Grain Transportation Survey & Report 2006** is released
8. **Two new shuttle facilities** announced in Montana
9. **Outline of plan for development of transportation competitive alternatives** by RSCC
10. **Governor's approved budget includes \$3MM to address STB/Rail Issues**

# Rail Captive Shipper Legislative Support Reaches Record Levels



## **S. 953, Railroad Competition and Service Improvement Act of 2007**

### **(Cosponsors: 12)**

Sen. Rockefeller, John D., IV (D-WV)\*  
Sen. Baucus, Max (D-MT)\*  
Sen. Cantwell, Maria (D-WA)\*  
Sen. Craig, Larry E. (R-ID)\*  
Sen. Crapo, Mike (R-ID)\*  
Sen. Dorgan, Byron L. (D-ND)\*  
Sen. Johnson, Tim (D-SD)  
Sen. Klobuchar, Amy (D-MN)\*  
Sen. Landrieu, Mary L. (D-LA)  
Sen. Tester, Jon (D-MT)\*  
Sen. Thune, John R. (R-SD)  
Sen. Vitter, David (R-LA)\*

## **H.R. 2125, Railroad Competition and Service Improvement Act of 2007**

### **(Cosponsors: 29)**

Rep. Oberstar, James [D, MN-08]\*  
Rep. Alexander, Rodney [R, LA-05]\*  
Rep. Baker, Richard H. [R, LA-06]\*  
Rep. Baldwin, Tammy [D, WI-02]  
Rep. Berry, Marion [D, AR-01]\*  
Rep. Boren, Dan [D, OK-02]  
Rep. Boustany, Charles W. [R, LA-07]\*  
Rep. Cubin, Barbara [R, WY-At Large]    Rep. Franks, Trent [R, AZ-02]\*  
Rep. Hare, Phil [D, IL-17]  
Rep. Herseth Sandlin [D, SD-At Large]\*  
Rep. Hirono, Mazie K. [D, HI-02]\*  
Rep. Holden, Tim [D, PA-17]  
Rep. Grijalva, Raul [D, AZ-07]  
Rep. Jefferson, William J. [D, LA-02]  
Rep. Jindal, Bobby [R, LA-01]  
Rep. Kind, Ron J. [D, WI-03]\*  
Rep. McCollum, Betty [D, MN-04]  
Rep. Melancon, Charlie [D, LA-03]  
Rep. Musgrave, Marilyn [R, CO-04]  
Rep. Peterson, Collin [D, MN-07]  
Rep. Pomeroy, Earl [ND-At Large]\*  
Rep. Rehberg, Dennis [R, MT-At Large]  
Rep. Renzi, Rick [R, AZ-01]  
Rep. Ross, Mike [D, AR-04]  
Rep. Simpson, Mike [R, ID-02]\*  
Rep. Snyder, Vic [D, AR-02]  
Rep. Udall, Mark [D, CO-02]  
Rep. Walz, Timothy J. [D, MN-01]\*

## **S. 772, Railroad Antitrust Enforcement Act of 2007**

### **(Cosponsors: 6)**

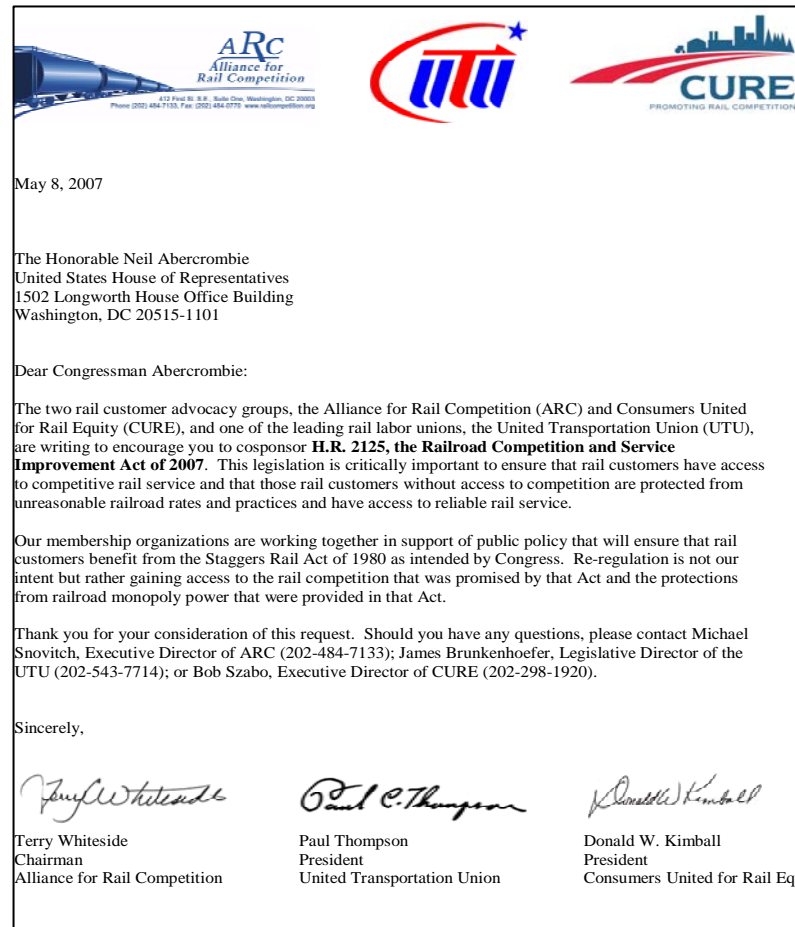
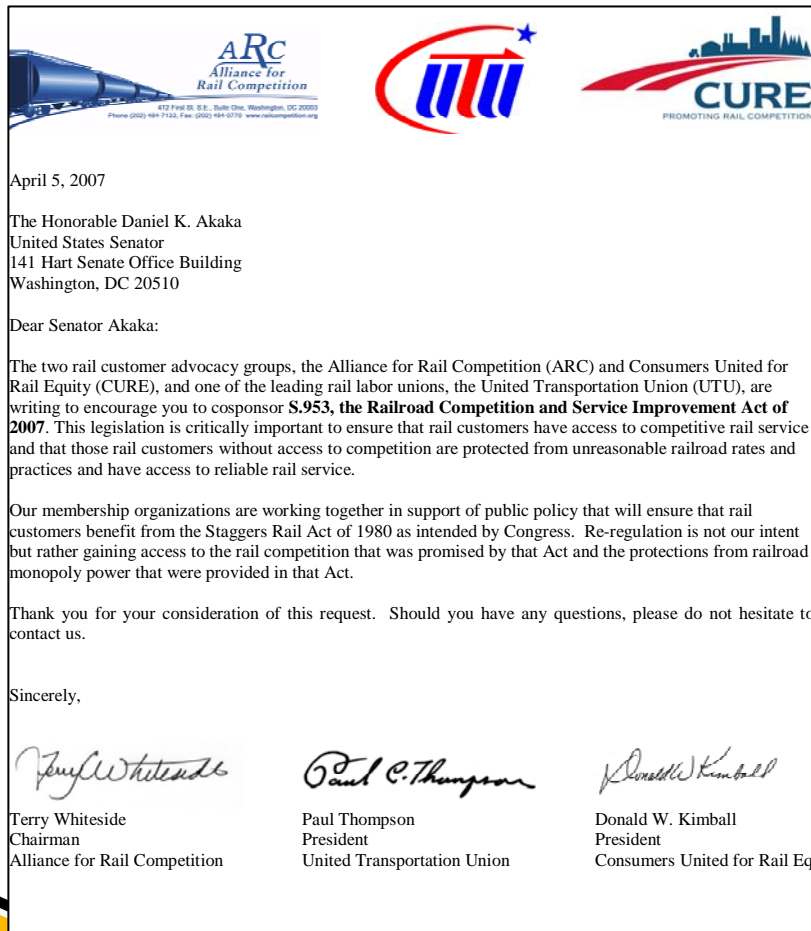
Sen. Kohl, Herb (D-WI)\*  
Sen. Coleman, Norm (R-MN)\*  
Sen. Feingold, Russell D. (D-WI)\*  
Sen. Harkin, Tom (D-IA)  
Sen. Rockefeller, John D., IV (D-WV)\*  
Sen. Vitter, David (R-LA)\*

## **H.R. 1650, Railroad Antitrust Enforcement Act of 2007 (Cosponsors: 12)**

Rep. Baldwin, Tammy [D, WI-02]\*  
Rep. Alexander, Rodney [R, LA-05]\*  
Rep. Baker, Richard H. [R, LA-06]\*  
Rep. Boren, Dan [D, OK-02]  
Rep. Grijalva, Raul [D, AZ-07]  
Rep. Kagen, Steve [D, WI-08]  
Rep. Pomeroy, Earl [D, ND-At Large]\*  
Rep. Renzi, Rick [R, AZ-01]  
Rep. Ross, Mike [D, AR-04]  
Rep. Snyder, Vic [D, AR-02]  
Rep. Walz, Timothy J. [D, MN-01]\*  
Rep. Wamp, Zach [R, TN-03]

**Look for these lists  
to grow very quickly  
over the next few  
weeks**

# Rail Labor, Alliance for Rail Competition and CURE Join Forces on Hill



# RR's Introduce Investment Tax Credit Legislation



- **S. 1125, Railroad Investment Tax Credit Legislation (Cosponsors: 13)**
- Sen. Lott, Trent (R-MS)\*
- Sen. Cochran, Thad (R-MS)\*
- Sen. Conrad, Kent (D-ND)\*
- Sen. Crapo, Mike (R-ID)\*
- Sen. Graham, Lindsey O. (R-SC)\*
- Sen. Hagel, Chuck (R-NE)\*
- Sen. Isakson, Johnny (R-GA)\*
- Sen. Landrieu, Mary L. (D-LA)\*
- Sen. Nelson, Bill (D-FL)
- Sen. Nelson, E. Benjamin (D-NE)\*
- Sen. Salazar, Ken (D-CO)
- Sen. Smith, Gordon H. (R-OR)\*
- Sen. Stevens, Ted (R-AK)\*

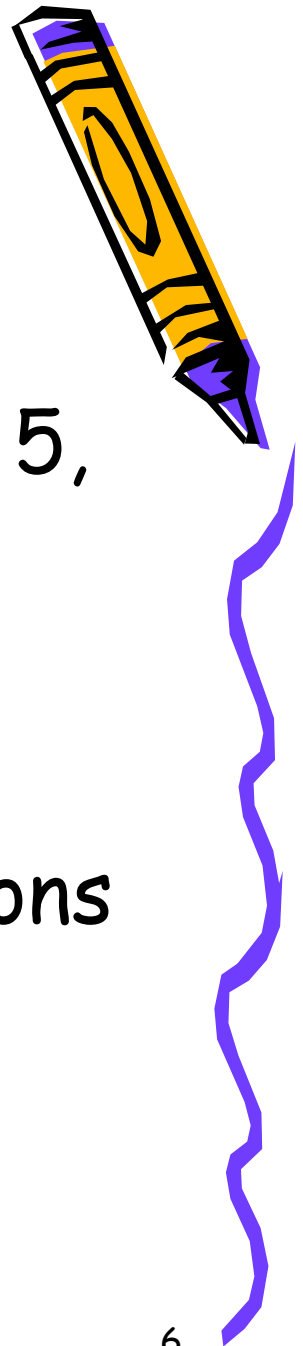
**The Senate bill  
will be heard in  
front of Senate  
Finance  
Committee  
chaired by  
Senator Baucus  
(MT)**

**First time in about 100  
years RR's have come to  
Congress for money**

**H.R. 2116, Railroad Investment Tax Credit  
Legislation (Cosponsors: 3)**  
Rep. Meek, Kendrick B. [D, FL-17]\*  
Rep. Cantor, Eric I. [R, VA-07]\*  
Rep. Crenshaw, Ander [R, FL-04]\*



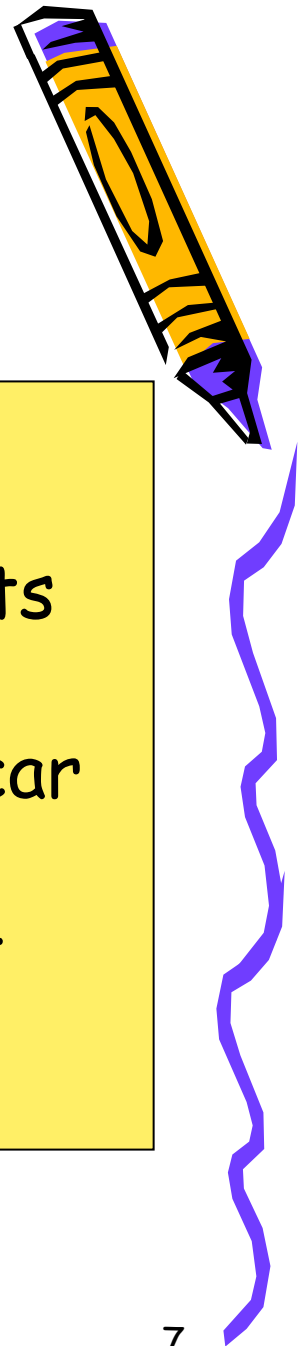
# Montana Rail Grain Transportation Survey and Report 2006



- Final report issued by RSCC – May 5, 2007
- Reflects minor additions as talked about in last RSCC meeting
- Provides a base point for discussions



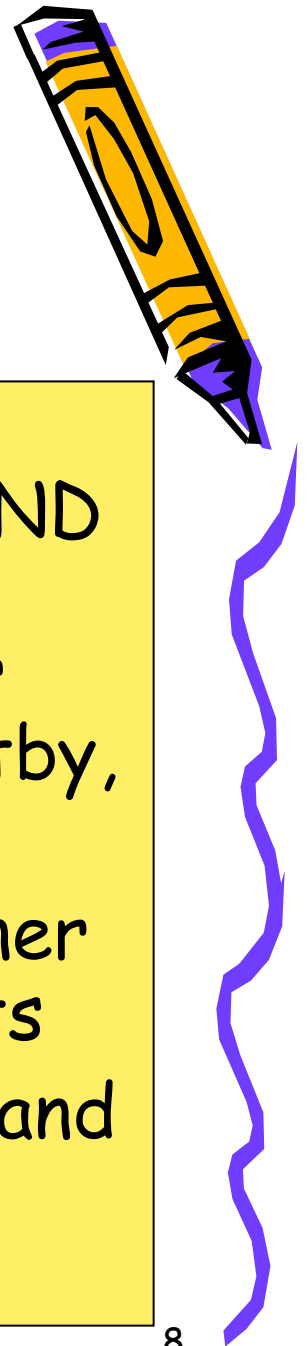
# Proposed Shuttle Facility for Moore, MT



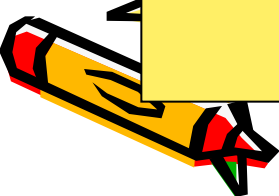
- March 23, 2007 - ConAgra Foods at Moore, MT (currently a 52 car facility) indicating preliminary plans to expand its 52 car facility to a high-speed
- This is the first truly competitive 110 car shuttle facility in Central MT
- Only 20 miles from the United-Harvest facility at Moccasin



# Proposed Shuttle Facility for Westby, MT

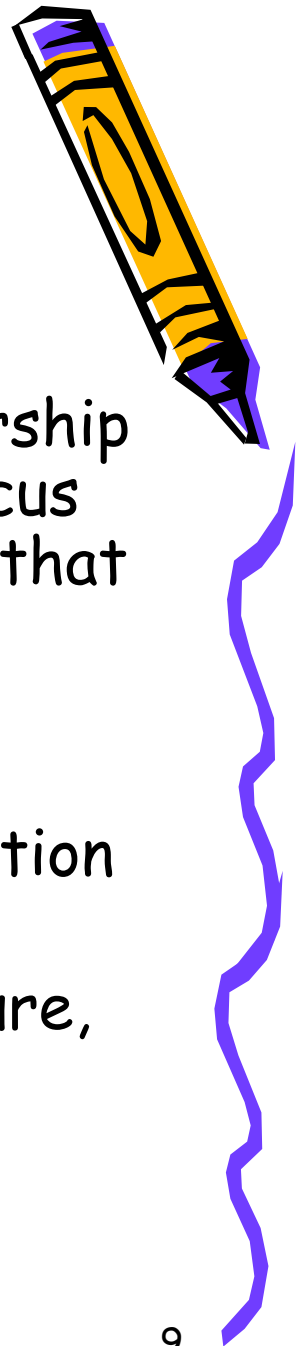


- April 2007 - New Century Ag (merger between Farmers Elevator of Fortuna, ND and Golden Plains Ag of Crosby, ND) announced plans to construct a 110 car loading facility on the DMV&W at Westby, MT
- This will provide competition in NE corner of Montana for durum and spring wheats
- Outbound movement will be DMVW/CP and on PNW shipments UP at Kingsgate, ID





# Discussion Item: Development of Action Items for RSCC



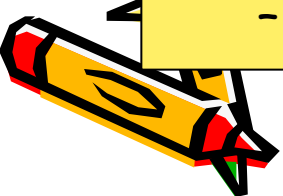
- RSCC has a vast knowledge base in its membership and RSCC needs to initiate development of focus plans to address growing industry/port needs that are being curtailed by lack of transportation competition
- Form Three/Four Working Groups to work on industry specific issues relating to transportation competition or lack of it
- Suggested industries: Forest/Paper, Agriculture, Ports (including intermodal study) + Coal



# Action Groups Would Develop Four Issues



- Groups would meet (via phone/email bridge) between RSCC meetings with a designated RSCC team leader and formulate a report to be given back to RSCC covering, at minimum, the following items:
  - effects on the industry coming from lack of rail competition
  - What impediments are there to develop of transportation alternatives?
  - Development of workarounds and transportation alternatives to counter the effects including working outside the state boundaries
  - What ingredients/assets/legislation would have to come together to be able to develop suggested or required transportation alternatives? Development of action items to accomplish workarounds/development of transportation alternatives
  - Suggested timetable to put action items in place
  - Additional items considered important to group



# Topics for Review May Include But Not Limited To:

- Build or encourage Rail-to-rail competition projects - build outs or build ins
- Develop value added activities and projects which utilize product that traditionally moves over MT transportation system
- Develop projects that provide for competitive uses of MT products off rail or on competitive railroad systems
- Work with MT companies to enhance their ability to provide value added economic development



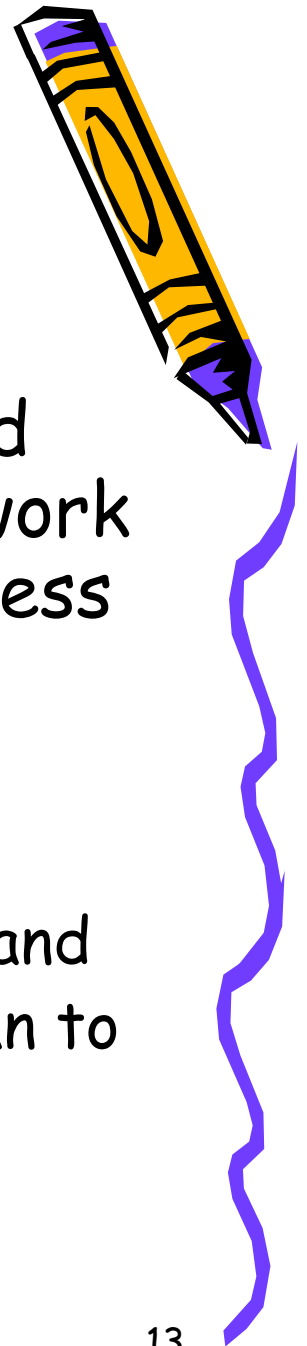
# Discussion: Core Branchline System



- Is this a concept that RSCC/DOT wants to explore?
- Development of CORE MT rail system
  - Should include Branch, feeder and main lines
  - Minimum necessary for MT industry
- Methodologies developed to provide financial support for CORE system
- FACT: when a rail line is lost - the economic burden is shifted from the private to the public sector
  - Many cases - the economic burden is forced upon MT secondary highway system
  - What is the total cost private and public - long term associated with the loss of rail infrastructure



# RSCC Review of Working Groups Work Efforts



- When each Working Group has reported back to RSCC - the RSCC utilizes this work to develop comprehensive plans to address industry concerns and report to Legislature
- RSCC is charged with
  - Promote Rail Service Competition in State and
  - Develop comprehensive and coordinated plan to increase rail service competition in MT

